

Book Review: Antifragile: How to Live in a World We Don't Understand

by Blog Admin

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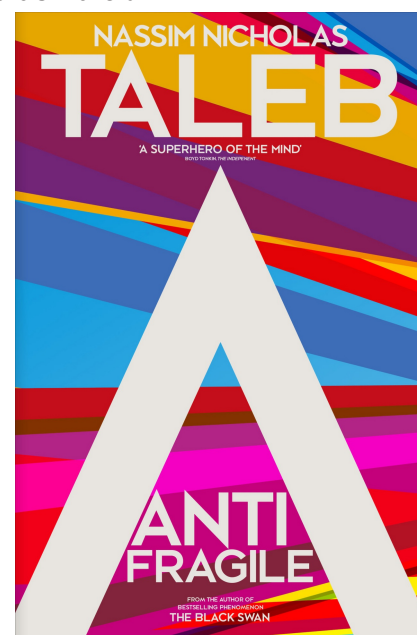
In *The Black Swan*, Nassim Nicholas Taleb wrote on the highly improbable and unpredictable events that underlie almost everything about our world. In *Antifragile*, Taleb aims to stand uncertainty on its head, making it desirable, even necessary. **Steve Fuller** comments on the applicability of Taleb's work to academia and discusses just how 'fragile' the academic way of being has become.



Antifragile: How to Live in a World We Don't Understand. Nassim Nicholas Taleb. Allen Lane. November 2012.

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Antifragile is the most inspiring work that I have read in a long time. It provides a comprehensive rational basis for the Nietzschean maxim, 'What doesn't kill me makes me stronger', which is the essence of the 'antifragile' world-view. Taleb generalises the lesson that he first taught concerning 'black swans', namely, those highly improbable events that when they happen end up producing a step change in the course of history. Taleb's deep insight involved a radical dismissal of those who claim in retrospect that they nearly predicted such events and think they 'learn' by improving their capacity to predict 'similar events' in the future. Such people, who constitute an unhealthy proportion of pundits in the financial sector (but also a large part of the social science community), are captive to a hindsight illusion that leads them to confuse explanation with prediction. The lesson they should learn is that prediction of extreme events is always a mug's game. Rather, what matters is coming out stronger regardless of how one's future predictions turn out.





The book is brimming with arguments, evidence and stories that are designed to appeal to a broad range of constituencies – from spreadsheet readers to Biblical exegetes. Some reviewers have complained that the book should have been edited down from its sprawling 500-page length. I do not share this view because the antifragile world-view is quite elusive as a fully developed intellectual proposition. It needs to be articulated at several registers, without the expectation that any particular reader will find all of them equally persuasive (or, for that matter, comprehensible); hence, the book's bagginess. After all, it is by no means obvious how to translate the intuitive appeal of Nietzsche's maxim into a strategy for conducting one's life — let alone for making money, which has been the main source of Taleb's mystique. (He had been a Wall Street trader who capitalised on market disasters.) In fact, Nietzsche's maxim is often interpreted as a personalised version of the 'survival of the fittest' principle, which would imply that being 'stronger' is no more than a *post hoc* gloss on the mere fact that you have not been killed – in this case, by Mother Nature. Nevertheless, Taleb insists that an acceptance of Nietzsche's maxim still allows us to be smarter than this rationalisation supposes. But how exactly?



In Taleb's presentation, antifragility belongs to a tripartite distinction in world-views, roughly defined in terms of how one deals with error or unwanted situations more generally. The 'fragile' agent is one who needs to control the environment in order to maintain its normal condition. A slight shift in the environment

can result in devastating consequences. In contrast, the 'robust' agent maintains its normal condition in response to changes in the environment. But an 'antifragile' agent always maintains or improves its current condition as the environment changes, without any preordained sense of normality. A sense of the difference between a 'robust' and an 'antifragile' agent is captured by, on the one hand, a gambler who is simply concerned with always being able to return to the casino no matter how his bets turn out and, on the other, a gambler who always bets so that his losses can never outpace his wins, which generally means placing a somewhat larger than expected bet on improbable events and a somewhat smaller than expected bet on probable ones. The robust gambler does it as a hobby, the antifragile one does it to make a living.

The key to the antifragile mentality is what Taleb calls 'optionality', namely, the use of degrees of freedom as a proxy for knowledge. In other words, if you do not know what will happen, make sure you have every option covered. Taleb, who appears to enjoy a 'second life' existence as a gangster, speaks in terms of having 'skin in the game'. In gambling circles, it is called 'spread betting'. In any case, it is psychologically much more difficult than it seems because so much of our sense of reality's stability rests on the future continuing the past being a 'sure bet'. Why then waste time and money on outliers? But Taleb counsels that it is better to run slightly behind the pack most of the time by devoting a small but significant portion of your resources to outliers, because when one of them hits, the rewards will more than make up for the lower return that you had been receiving to date.

What is not so clear is whether Taleb's advice would work if everyone suddenly followed it. (To be sure, given the well-documented state of statistical innumeracy across both 'expert' and 'lay' populations, this is unlikely to happen soon.) My guess is that Taleb would stick with his advice based on his rather 'realist' view of how chance works. In this respect, he remains very much a man of the classical world, where *Tyche* or *Fortuna* is conceptualised as a goddess with a mind of her own whose workings are in principle irreducible to, say, the mutually calibrated judgements of (typically male) market traders. Taleb does not believe that the market can ever be tamed. He simply believes that you can flourish in its wildness. While I personally do not share Taleb's pre-modern ontological commitments, given that mass statistical innumeracy is unlikely to be relieved in the foreseeable future, his call for antifragility is epistemologically very sound and leads to some provocative conclusions about the organization of knowledge.

As several reviewers have noted, Taleb instinctively dislikes professional academics, whom he dubs the 'Fragilista'. Setting aside any interpersonal conflicts, Taleb is making a principled point about the potential for tenured appointments to deform judgement. Joseph Stiglitz and Paul Krugman can be wrong about the economy's performance on a particular day and still retain their Ivy League chairs. This leads them to stress supposed 'long term' tendencies in relation to which any given event may be treated as an 'aberration'. To be sure, should such tendencies come to be realized, they would take full credit – but without having suffered any loss when they get things wrong. Taleb would have academics tie their judgements to a significant portion of their own wealth – so as to have 'skin in the game'. He believes that they would then behave in a more antifragile manner, as economic punditry becomes a proper market.

As someone who has strongly defended academic tenure as necessary to speak truth to power freely, I am struck by Taleb's claim that tenure makes academics intellectually lazy. And it may well apply to contemporary higher education. Tenure was originally designed to protect academics against government censorship, not to make them immune to reality. Given that tenured academics – especially at the professorial level — command quite high salaries, a case could be made that a portion of such an academic's salary (perhaps up to 20%) might be set aside as investment money directly tied to his or her public pronouncements. (It could be seen as a somewhat more personalised version of a research budget.) This would be much more adventurous than the largely retrospective 'impact' factor introduced to the UK's Research Excellence Framework. At the moment, academics are encouraged simply to promote ideas and research that have worked in the past regardless of their real-world relevance. Not surprisingly, any shift in the academic resource environment leads to cries of bloody murder, but for Taleb that just indicates how 'fragile' the academic way of being has become.

Steve Fuller holds the Auguste Comte Chair in Social Epistemology at the Department of Sociology, [University of Warwick](#). He is the author of nineteen books, most recently [*Preparing for Life in Humanity 2.0*](#) (Palgrave Macmillan). Fuller's interest in Taleb's antifragility thesis is related to his recent work on the 'proactionary principle', which is the subject of his next book (co-authored with Veronika Lipinska). [Read more reviews by Steve](#).